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[]Israel: Aftermath of Split in Democratic Movement
for Change

Two parties of equal parliamentary strength have formed in the wake of the split late last month in the Democratic Movement for Change, whose 15 Knesset seats made it the largest coalition partner of Prime Minister Begin's ruling Likud bloc. The DMC rump, under former party head Yigael Yadin, will remain a member of Begin's coalition, while the dovish breakaway group led by Amnon Rubinstein almost certainly will go over to the opposition--barring a major breakthrough in peace negotiations at Camp David.

A number of political issues resulting from the DMC split are still up in the air, including:

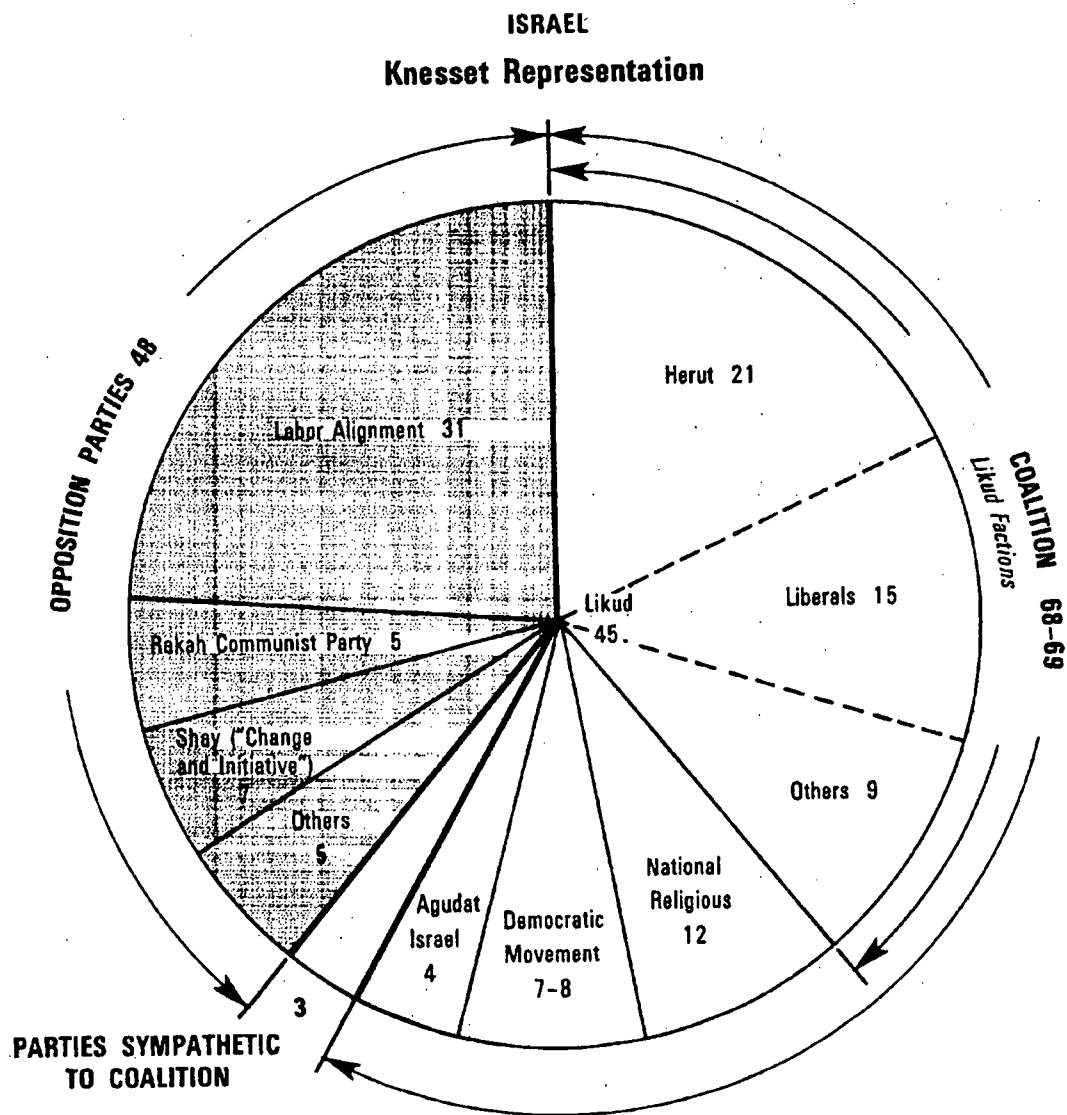
- The long-term political future of the party's successor bodies and some of the old DMC leaders.
- The allegiance of the approximately 200,000 Israelis who voted for the DMC in the 1977 national election.
- Readjustments in cabinet posts as a result of pressure from coalition partners already jockeying to strengthen their positions.

Yadin's "Democratric Movement" and Rubinstein's group each control 7 Knesset seats. Rubinstein heads the former dovish Shinui reform movement, which recently agreed to merge with the forces of former Transportation Minister Meir Amit, who resigned from the cabinet earlier this week. The new party reportedly will be called Shay, the Hebrew acronym for the "Movement for Change and Initiative." The remaining seat from the DMC is held by Assaf Yaguri, who according to some reports continues to negotiate with Yadin.

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The ruling council of Shay intends to meet this week to ratify its merger agreement and to decide whether to go formally into opposition. [redacted]

[redacted] Rubinstein and his Shinui colleagues, who have long complained bitterly of Begin's hard line on negotiations and his management of Israeli settlements in the occupied territories, are even less inclined to stay in the government.

The political prospects for the DMC's successor parties are a far cry from the heady opportunities that appeared to await the party on the eve of the national election, when public opinion polls indicated it might hold the balance of power for either a Labor or Likud-led coalition. Indeed, the DMC nearly dropped off the political map in the final months before its formal breakup. The last poll taken before the split showed the DMC supported by only 1 percent of the electorate; it received over 11 percent of the votes cast in the 1977 election. Neither successor group thus appears likely over the long haul to retain its current parliamentary strength.

Yadin. [redacted]

[redacted] will do well to hold his seven-member contingent together. Some conservative and opportunistic members of his party, led by Justice Minister Shmuel Tamir, reportedly are keeping their lines open to Begin's Likud. Tamir [redacted]

[redacted] has flirted with nearly every element in Israeli politics. Earlier in his career, Tamir was a leading member of Begin's rightwing Herut party until he lost out in a power struggle with Begin in the mid-1960s. Tamir later established the small Free Center party and joined Likud when it was formed in 1973. Some observers are speculating that Tamir, who maintained the Free Center's bank account even after the party subsequently merged with the DMC, intends eventually to maneuver Yadin's new group into Likud and then stake out an expanded political role for himself.

Unlike Yadin, leaders of the Shay movement generally have defended their moderate views on peace issues and have continued to demand major electoral and other domestic reform legislation. Composed of a relatively hard

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core of political liberals, Shay would appear to have a better chance to survive, supported by a small, somewhat left-of-center constituency.

Some of those who voted last year for the DMC undoubtedly will turn again to Labor, especially now that it is the only major alternative to Likud. Recent public opinion polls suggest that such a trend may already be developing. Likud, however, also stands to pick up some DMC supporters and at least partially offset Labor gains. The majority of DMC supporters remains uncertain of its future allegiance and may not make a choice until forced to do so in the next national election scheduled for 1981.

In the more immediate term Begin is faced with the problem of re-crafting the delicate balance of cabinet posts he had established before the DMC's demise. Leaders of the major Herut and Liberal factions of Likud have bickered for months over their relative strength in the cabinet and probably will now press Begin for new political plums. Amit's transportation and communications portfolio might be divided between two Herut and Liberal ministers, given in its entirety to one of Likud's two ministers without portfolio, or entrusted to Yoram Aridor, deputy minister in Begin's office.

Some Herut activists also believe Begin should construct a counterweight to the dominance that Finance Minister Ehrlich, who also heads Likud's Liberals, holds over economic policymaking. To this end, they may press Begin to put a Herut figure in control of the labor and social betterment portfolio. Liberal leaders, on the other hand, may use this opportunity to press once again their demand that the faction be given a greater role in decisionmaking on foreign policy issues, an area traditionally dominated by Begin and Herut.

According to one report, the small Laam group in Likud might be compensated by retaining control of the health portfolio instead of surrendering it to an enlarged labor ministry as originally planned. Whether this would satisfy Laam leaders is unclear. Some activists who migrated to Laam from the former Rafi party, a conservative breakaway from Labor in the mid-1960s, have been demanding an increased share of coalition power and

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exploring behind the scenes the possibility of forming a larger and more influential faction or even an independent party of their own.

Leaders of the National Religious Party, whose 12 Knesset seats now make it Likud's largest coalition partner, might also be interested in the labor ministry or a ministry without portfolio. The labor post currently is held by Israel Katz, a member of Yadin's Democratic Movement. [REDACTED]

Agudat Israel, the remaining member of the coalition but by its own desire without representation in the cabinet, may seek to gain additional coalition leadership positions. Aguda leaders decided against accepting a seat in the cabinet in order to avoid participating in decisionmaking that could compromise the party's orthodox outlook. Instead, they accepted important posts just below the cabinet level, including a seat on the prestigious Knesset foreign affairs and security committee, a deputy Knesset speakership, and chairmanships of the labor and finance committees. [REDACTED]

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